

House File 673

H-1661

1 Amend House File 673 as follows:

2 1. By striking everything after the enacting clause  
3 and inserting:

4 <Section 1. Section 427A.1, subsection 1, paragraph  
5 h, Code 2011, is amended by striking the paragraph and  
6 inserting in lieu thereof the following:

7 h. Property assessed by the department of revenue  
8 pursuant to any of the following:

9 (1) Sections 428.24 to 428.29.

10 (2) Chapter 433 if such property is owned by a  
11 qualifying local exchange carrier, as defined in  
12 section 433.16.

13 (3) Chapter 433 if such property is not owned by  
14 a qualifying local exchange carrier, as defined in  
15 section 433.16, and was first assessed for taxation in  
16 this state before January 1, 1996.

17 (4) Chapter 434.

18 (5) Chapter 437.

19 (6) Chapter 437A.

20 (7) Chapter 438.

21 Sec. 2. Section 433.4, Code 2011, is amended to  
22 read as follows:

23 **433.4 Assessment.**

24 1. The Except as otherwise provided in section  
25 433.16, the director of revenue shall on or before  
26 October 31 each year, proceed to find the actual value  
27 of the property of these companies in this state that  
28 are not qualifying local exchange carriers as defined  
29 in section 433.16, taking into consideration the  
30 information obtained from the statements required, and  
31 any further information the director can obtain, using  
32 the same as a means for determining the actual cash  
33 value of the property of these companies within this  
34 state.

35 2. The For company property that was first assessed  
36 for taxation in this state before January 1, 1996,  
37 the director shall also take into consideration  
38 the information described in subsection 1 and  
39 the valuation of all property of these companies,  
40 including franchises and the use of the property in  
41 connection with lines outside the state, and making  
42 these deductions as may be necessary on account of  
43 extra value of property outside the state as compared  
44 with the value of property in the state, in order  
45 that the actual cash value of the property of the  
46 company within this state may be ascertained. The  
47 assessment shall include all property of every kind and  
48 character whatsoever, real, personal, or mixed, used  
49 by the companies in the transaction of telegraph and  
50 telephone business; and the property so included in the

1 assessment shall not be taxed in any other manner than  
2 as provided in this chapter.

3 3. For company property that was first assessed for  
4 taxation in this state on or after January 1, 1996, and  
5 not otherwise assessed under section 476.1D, subsection  
6 10, the director shall determine the value of such  
7 property within this state as follows:

8 a. For the assessment years beginning on or after  
9 January 1, 2012, but before January 1, 2018, the value  
10 of such property for each company shall equal the sum  
11 of the value of the property assessed in the manner  
12 as all other property assessed as commercial property  
13 pursuant to chapters 427, 427A, 427B, 428, and 441,  
14 and the telecommunications company adjustment for the  
15 applicable assessment year.

16 b. Each company's base value shall be the total  
17 assessed value of such company property assessed  
18 pursuant to section 433.4, Code 2011, for the  
19 assessment year beginning January 1, 2011. However,  
20 if the company adds or disposes of an amount of  
21 such property exceeding ten percent of the company's  
22 assessed value of such property for the assessment year  
23 beginning January 1, 2011, or ten percent of the base  
24 value most recently adjusted under this paragraph, the  
25 company's base value shall be adjusted to reflect those  
26 additions or dispositions.

27 c. The telecommunications company adjustment shall  
28 be determined as follows:

29 (1) For the assessment year beginning January 1,  
30 2012, the telecommunications company adjustment shall  
31 equal eighty-five percent of the difference between  
32 the company's base value and the assessed value of  
33 such company property when assessed in the same manner  
34 as all other property assessed as commercial property  
35 under chapters 427, 427A, 427B, 428, and 441.

36 (2) For the assessment year beginning January 1,  
37 2013, the telecommunications company adjustment shall  
38 equal seventy percent of the difference between the  
39 company's base value and the assessed value of such  
40 company property when assessed in the same manner as  
41 all other property assessed as commercial property  
42 under chapters 427, 427A, 427B, 428, and 441.

43 (3) For the assessment year beginning January 1,  
44 2014, the telecommunications company adjustment shall  
45 equal fifty-five percent of the difference between the  
46 company's base value and the assessed value of such  
47 company property when assessed in the same manner as  
48 all other property assessed as commercial property  
49 under chapters 427, 427A, 427B, 428, and 441.

50 (4) For the assessment year beginning January 1,

1 2015, the telecommunications company adjustment shall  
2 equal forty percent of the difference between the  
3 company's base value and the assessed value of such  
4 company property when assessed in the same manner as  
5 all other property assessed as commercial property  
6 under chapters 427, 427A, 427B, 428, and 441.

7 (5) For the assessment year beginning January 1,  
8 2016, the telecommunications company adjustment shall  
9 equal twenty-five percent of the difference between  
10 the company's base value and the assessed value of  
11 such company property when assessed in the same manner  
12 as all other property assessed as commercial property  
13 under chapters 427, 427A, 427B, 428, and 441.

14 (6) For the assessment year beginning January  
15 1, 2017, the telecommunications company adjustment  
16 shall equal ten percent of the difference between the  
17 company's base value and the assessed value of such  
18 company property when assessed in the same manner as  
19 all other property assessed as commercial property  
20 under chapters 427, 427A, 427B, 428, and 441.

21 d. For the assessment year beginning January  
22 1, 2018, and each assessment year thereafter, such  
23 property shall be assessed by the director of revenue  
24 in the same manner as all other property assessed  
25 as commercial property by the local assessor under  
26 chapters 427, 427A, 427B, 428, and 441.

27 **Sec. 3. NEW SECTION. 433.16 Qualifying local**  
28 **exchange carriers — assessment.**

29 For assessment years beginning on or after January  
30 1, 2012, the property of qualifying local exchange  
31 carriers shall be assessed for taxation by the director  
32 of revenue under the provisions of section 433.4, Code  
33 2011. For purposes of this section, "*qualifying local*  
34 *exchange carrier*" means a telecommunications company  
35 that provides local exchange service and has less than  
36 fifty thousand customer access lines located in this  
37 state.

38 **Sec. 4. Section 476.1D, subsection 10, unnumbered**  
39 **paragraph 2, Code 2011, is amended by striking the**  
40 **unnumbered paragraph.**

41 **Sec. 5. EFFECTIVE DATE.**

42 1. Except as provided in subsection 2, this Act  
43 takes effect July, 1, 2011.

44 2. The section of this Act amending section 476.1D  
45 takes effect July 1, 2017.

46 **Sec. 6. APPLICABILITY.**

47 1. Except as provided in subsection 2, this Act  
48 applies to assessment years beginning on or after  
49 January 1, 2012.

50 2. The section of this Act amending section 476.1D

1 applies to assessment years beginning on or after  
2 January 1, 2018.>

3 2. Title page, by striking lines 1 through 3  
4 and inserting <An Act relating to the assessment of  
5 telecommunications company property for purposes of  
6 property taxation, and including effective date and  
7 applicability provisions.>

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